

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7831**

**BILL NUMBER: HB 2059**

**DATE PREPARED:** Jan 9, 2001

**BILL AMENDED:**

**SUBJECT:** Tax abatement.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows a property tax abatement to a property owner in a town located in a county with a population of more than 50,000 but less than 60,000 if the town approved the abatement but the owner is ineligible because of a failure of the owner to comply with statutory requirements. It provides that the abatement is allowed if the owner and the town comply with all statutory requirements before July 1, 2001.

**Effective Date:** January 1, 1999 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:** The State levies a one cent tax rate for State Fair and State Forestry. Any change in the assessed value base will likewise change the property tax revenue for these two funds.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Retroactive to property taxes paid in CY 2000, this bill would allow the Town of Mooresville to grant an abatement if the taxpayer and the town complete all necessary procedures and filings before July 1, 2001. In addition, the taxpayer must have fulfilled all expectations concerning jobs and investment.

One taxpayer has been identified that could qualify for abatement under this bill. The assessed value deduction for CY 2000 would amount to almost \$694,000. At the town's CY 2000 net tax rate, the abatement would be worth \$61,000. Since this amount would already have been paid, this bill would result in the issuance of a refund. The bill specifies that refunds would not include interest. Property tax refunds are deducted from the affected taxing units' next property tax distribution.

After CY 2000 and through the end of the abatement period, this bill would result in a reduction in the amount of new assessed value added to the tax base in Mooresville. Reducing the tax base causes a shift of the property tax burden from the taxpayers receiving the deductions to all taxpayers in the form of an increased tax rate.

**State Agencies Affected:**

**Local Agencies Affected:** Town of Mooresville; Morgan County Auditor; Brown Township Assessor.

**Information Sources:** Local Government Database.